

# **Private Sector Vocational Technical Stakeholder Group**

Tukwila, WA  
September 15, 2003

## **MINUTES**

### **ATTENDEES**

#### **DEPARTMENT OF LABOR AND INDUSTRIES**

Mary Kaempfe	Barb Lansford
Nancy Peterson	Roy Plaeger-Brockway
Blake Maresh	Rich Wilson
Donna Spencer	Gary Walker
Dave Overby	

#### **VOCATIONAL REHABILITATION PROVIDERS**

Cathy Cottingham, People Systems, Inc.  
Dan McKinney, Vista Consulting Services  
Jenny Gaffney, Gaffney Counseling & Consulting  
Scott Whitmer, Whitmer & Associates  
Terry McCall, Northwest Human Resources  
Julie Krause, Whittall  
April Poier, Grant and Associates  
Michael Barron, IAM Crest  
Bob Crouch, CorVel Corporation  
Jill Rosenthal, Rehab and Evaluation Services  
Julie Grant, Grant and Associates

#### **AUDIENCE MEMBERS**

Patti Kacz, Intracorp  
Katie Bennett, Consulting Network  
Rich Berndt, Industrial Rehab Consulting

### **INTRODUCTIONS & REVIEW – Blake Maresh**

Blake welcomed everyone to the meeting, made introductions and reviewed the agenda. The previous meeting minutes were reviewed.

### **VRC-AP PARTNERSHIP UPDATE – Rich Wilson, Dan McKinney, Terry McCall**

#### *Summary –*

Rich Wilson presented the results of this subcommittee project to the group. The subcommittee members include Dan McKinney, Terry McCall and Rich. The group refined information gathered during brainstorming sessions of the entire VTSG at earlier meetings. The resulting list of “tips” represent best-practice ideas for working effectively with doctors. These tips will be posted on the department’s vocational web site in the near future, and they will include links to various resources.

## **SURVEY: PRIORITIES FOR VTSG AGENDA ITEMS – Scott Whitmer, Jenny Gaffney**

### *Summary –*

As part of the ongoing effort to provide the opportunity for VTSG members and others to place items on the bi-monthly agendas, Scott and Jenny presented a list of the 25 proposals for agenda items that they have received so far. They asked everyone to prioritize the items in terms of importance and interest and return their lists by the end of the meeting.

The committee had a short conversation during the prioritization process about what items were number one on people's lists, but Jenny and Scott indicated that they would look at the overall results and make recommendations about which topics to place on the VTSG agendas first. They also reiterated that they were interested in speakers for the topics and asked everyone to forward any names of potential speakers to them.

## **ANNOUNCEMENTS**

### ▪ **PAY FOR PERFORMANCE UPDATE – Roy Plaeger-Brockway**

#### *Summary –*

Roy announced that he had completed a decision paper that summarized the research on the issue of outcome-based payment for vocational services. He recapped that the two primary models in practice today are used in Oklahoma for its DVR program and the Ticket to Work program in the federal Social Security Administration.

Roy is recommending in his decision paper that the department attempt a small pilot test to see whether an outcome-based payment approach would be workable in our system. We will need to get executive approval for the idea in an upcoming steering committee meeting before we move forward.

### ▪ **AWA → PLAN CONFLICT OF INTEREST RULES UPDATE – Blake Maresh**

#### *Summary –*

L&I has been considering making rules to prevent a counselor who completes an AWA referral to be able to be assigned the PD referral. Blake indicated that a rule preproposal (CR-101) document had been filed on August 20, and that the department had done some research internally, in addition to our discussions at the July VTSG. While the initial indication was that making rules in this area might not be prudent, Blake indicated that he was preparing a decision paper for executive consideration.

- **POLICY ON TRANSITIONAL JOB OFFERS – Donna Spencer**

*Summary –*

Donna handed out copies of the new TJO policy 5.15. Transitional work is defined as temporary work. It is not the worker's usual job. It is designed for situations where permanent restrictions are unknown and is also referred to as "light-duty" work. The employer at time of injury, or any chargeable employer for an occupational disease claim, can offer a transitional job.

Consideration is given to documented pre-existing conditions as well as a reasonable commuting distance. The worker is entitled to a copy of the job offer and may present a valid reason for not accepting the offer. The job offer must include the same level of health and welfare benefits paid at time of injury and must not violate the worker's the collective bargaining agreement.

The employer cannot "share" employees or offer work at a non-profit agency. The employer must also provide a meaningful and respectful work environment. Working at home is allowed if the offer is acceptable to the worker, is performed for the employer, and enhances the skills and knowledge of the worker.

If the worker quits the transitional job, the claim manager ensures that the AP did not rescind approval. The claim manager also evaluates the requirements for a valid job offer if the worker declines the job offer. If the worker is dismissed, the claim manager considers if the dismissal is consistent with the employer's employment practices.

- **NEW CLAIM MANAGER OUTCOME: "ADMB" – Donna Spencer**

*Summary –*

Claim managers have a new outcome code for non-cooperation with eligible workers.

In Anderson vs. Weyerhaeuser, the Self Insured employer recommended to the Department that the worker was not cooperating with his vocational plan. The SI section agreed and issued an outcome of non-cooperation. The worker disputed to VDRO and the dispute section upheld that the worker was non-cooperative with his vocational plan.

The worker then appealed to the Board of Industrial Insurance Appeals (BIIA). The BIIA indicated that the claims of eligible workers should be processed according to RCW 51.32.110, rather than 095 (vocational services). RCW 51.32.110 requires the claim manager to send the good cause letter and suspend the claim.

VRCs will continue to use the SNA3 outcome. The claim manager will use the ADMB outcome to close referral. This outcome does not generate a letter or dispute rights. The claim manager will send good cause letter with a copy of the

WAC. If injured worker does not demonstrate good cause, claim manager will issue suspension.

- **STAND-ALONE JOB ANALYSIS UPDATE – Mary Kaempfe, Gary Walker**  
The programming problem which was denying payment for SAJA bills has been corrected. The bills which were already denied will be re-processed and paid. Please do not re-send the bills – they will be rejected as duplicates.

## **WORKERS' COMP INITIATIVE ON CACO – DURATION & OUTCOMES – RESULTS & RECOMMENDATIONS – Donna Spencer, Gary Walker, Dan McKinney**

### *Summary –*

Donna and Gary presented the preliminary findings of their workgroup to the VTSG members. The workgroup was asked to look at enhancing the CACO formula, in particular the duration and outcomes. The workgroup's preliminary recommendation involves revising the CACO formula divisor from 1.5 for RTW, 1.0 for other outcomes, and 0.75 for fee caps to 3.0 for RTW, 2.0 for desirable outcomes, 1.0 for admin outcomes, and 0.75 for fee caps. The enhancement will increase the incentive for RTW as well as provide greater emphasis on other desirable outcomes that help move the claim towards resolution. The workgroup is almost complete with its assignment except for looking at increasing the conversion factor to the current level as recommended by Dr. Wickizer, UW consultant, in his evaluation. When the final recommendation has been approved, Policy Analysis and Development (PAD) will inform the provider community by letter, Provider Bulletin, and/or web page notice. The goal is to provide the communication(s) at least 30 days in advance. The next quarterly report due for publication on October 1, 2003 will be delayed so that these enhancements can be incorporated into the formula. Dan McKinney was also acknowledged for his contribution to the workgroup.

## **CACO EVALUATION CONTRACT – RESULTS & RECOMMENDATIONS – Thomas Wickizer, Ph.D**

### *Summary –*

Thomas Wickizer, PhD, a professor in the Department of Health Services at the University of Washington, was hired by the department to do an independent analysis of the vocational performance rating system, including both the formula itself (and statistics) as well as the incentives that the formula creates. This evaluation occurred independently of the Workers' Compensation Improvement Initiative described earlier. The two efforts reached some similar conclusions.

Briefly, Dr. Wickizer found that the department's performance measurement system was sophisticated, well-designed, and conceptually sound. He made several recommendations to further improve the system, focusing on more fully using the results to make referrals, increasing the weight of RTW and other outcomes in the CACO formula, adjusting the duration conversion factor, and refining the difficulty adjustment.

Copies of the report can be downloaded from the department's vocational services website: <http://www.lni.wa.gov/hsa/voc>.

Dr. Wickizer took member questions:

Q: How can VRCs in rural areas compete with VRCs in large urban areas? Some VRCs actually work primarily work in Seattle, but are signing up in small rural areas too. VRCs who actually work in those smaller areas but don't work in Seattle

A: The issue is worth considering. One of the difficulty factors already attempts to address this. Anytime a change is considered, it always has to be weighed in the context of the trade-offs. In this case, administrative complexity might be an issue.

Q: What you've said makes sense if referrals are done randomly, but are skewed if providers have different case mix, i.e. many very complex cases like workers with head injury. How do you respond to that?

A: Difficulty factors could be expanded to include other items after study and if administratively possible. But, again, the tradeoffs need to be considered too. Among the 29,000 referrals in the sample I reviewed, the complexity factors explained 20% of the variance. The remaining variance is due to something else. There's a fundamental issue to remember about measurement systems like this. That is, *on average*, does the system provide an accurate assessment most of the time. It doesn't need to be perfect in every instance to be an effective and accurate system.

Q: Did you talk to any providers?

A: No.

Q: Is the SEM and volume adjustment fair?

A: While the system does produce a few seemingly anomalous results, the method used for adjusting for volume and comparing a counselor's work to all the work done in the state (SEM) is statistically correct. What I mean is that if you look at the report, there are a few instances in which a provider with a higher CACO is said to be eligible while a provider who has a lower CACO is conditional. This is technically, accurate but one of my recommendations is to stop doing the volume adjustment because at the statewide level, there aren't any single providers (VRCs) with a high enough volume to skew the results.

Q: Would it be level the playing field to go back to service location calculations?

A: Statewide SEM measurement is better because it provides a consistent benchmark for all providers in the state. The benchmark and changes in performance can be tracked over time.

## **AUDIENCE COMMENTS – Blake Maresh**

**Blake adjourned the meeting at approximately 1:45 pm.**